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REPORT OF THE
COMPTROLLER GENERAL
OF THE UNITED STATES



Audit Of The United States Senate
Restaurants Revolving Fund
June 30, 1974, To June 28, 1975

Architect of the Capitol

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-114871

The Honorable George M. White
Architect of the Capitol

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Dear Mr. White:

We audited the United States Senate Restaurants Revolving Fund for the period June 30, 1974, to June 28, 1975, pursuant to section 5 of the act of July 6, 1961 (40 U.S.C. 174j-5).

GENERAL COMMENTS

2 1 The Senate Restaurants are operated primarily for Senators and employees of the United States Senate. The Architect of the Capitol is responsible for managing the restaurants under the direction of the Senate Committee on Rules and Administration, as provided by the act of July 6, 1961 (40 U.S.C. 174j-1).

RSN
Current
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The Senate Restaurants consist of the following facilities and are normally open at the hours shown. During recess or adjournment other operating hours may be in effect.

	Monday		Saturday	
	through Friday			
	Open	Close	Open	Close
	a.m.	p.m.	a.m.	p.m.
Capitol:				
Dining rooms:				
Senators' (note a)	8:00	4:30	8:00	2:00
Public and press				
(note a)	8:00	4:30	Closed	
Family	11:00	3:00	Closed	
Senators' private	11:00	3:00	Closed	
Snackbar (note a)	7:30	4:00	Closed	
Dirksen Office Building:				
Cafeterias:				
North (staff)	8:00	4:00	Closed	
South (visitors)				
(note b)	11:00	3:00	Closed	
Carryout	8:00	7:00	Closed	
Senators' dining rooms	11:00	3:00	Closed	
Cigarstand	8:00	4:00	Closed	

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	Monday		Saturday	
	through Friday			
	Open	Close	Open	Close
	a.m.	p.m.	a.m.	p.m.
Russell Office Building:				
Coffee shop	8:00	4:00	8:00	2:00
Vending section		24 hours daily		
Cigarstand	8:00	4:00	8:00	2:00

a/Remains open as long as Senate is in session.

b/May be reserved for staff at peak periods.

Sales and transfers from the appropriation for the contingent expenses of the Senate provide funds for operating the restaurants. In fiscal year 1975, \$250,000 was made available from the contingent expenses of the Senate for operating the restaurants. These funds are deposited in the U.S. Treasury to the credit of the Senate Restaurants Revolving Fund. Funds appropriated to the Architect of the Capitol for construction or maintenance are available for purchasing restaurant equipment. These purchases are not recorded as assets of the restaurants.

The Legislative Branch Appropriation Act, 1972 (Public Law 92-51, approved July 9, 1971), provided that management personnel salaries and miscellaneous expenses, such as paper, cleaning, and laundry, may be paid from the Senate Office Buildings appropriation. Management personnel salaries and miscellaneous expenses of the restaurants paid from or obligated against this appropriation during fiscal year 1975 totaled \$548,674, as compared to \$470,330 in fiscal year 1974. These amounts were not considered in determining the net operating loss of the restaurants for the period audited. (See sch. 2.)

OPERATIONS

Senate Restaurants' operations in fiscal year 1975 resulted in a net loss of \$239,659, compared with a net loss in fiscal year 1974 of \$311,086. The reduction in losses between fiscal years 1975 and 1974 was \$71,427 and resulted primarily from increased sales. The number of guests served were 2,028,015 and 1,979,640 in fiscal years 1975 and 1974, respectively.

A condensed comparison of sales and commissions with operating results for each of the restaurant activities for fiscal years 1975 and 1974 follows.

	1975		1974	
	<u>Sales and commissions</u>	<u>Operating profit or loss (-)</u>	<u>Sales and commissions</u>	<u>Operating profit or loss (-)</u>
Food and beverages:				
Capitol din- ing rooms	\$ 426,328	\$-281,731	\$ 372,001	\$-282,460
Snackbar	66,821	-638	60,237	1,248
Coffee shop	199,100	41,798	225,089	58,232
Vending sec- tion	38,141	-1,900	38,064	558
Cafeteria	868,887	-172,129	717,648	-204,482
Senators' dining room	33,644	-23,182	37,768	-17,997
Carryout	<u>248,297</u>	<u>51,239</u>	<u>214,763</u>	<u>38,305</u>
	<u>1,881,218</u>	<u>-386,543</u>	<u>1,665,570</u>	<u>-406,596</u>
Cigarstands and newspapers:				
Capitol din- ing rooms (note a)	87,501	21,881	91,284	17,196
Dirksen Of- fice Build- ing	305,541	74,351	210,250	42,911
Russell Of- fice Build- ing	<u>198,916</u>	<u>43,425</u>	<u>151,752</u>	<u>28,966</u>
	<u>591,958</u>	<u>139,658</u>	<u>443,286</u>	<u>89,073</u>
Vending machine commissions	<u>7,226</u>	<u>7,226</u>	<u>6,436</u>	<u>6,436</u>
Total	<u>\$2,430,402</u>	<u>\$-239,659</u>	<u>\$2,115,292</u>	<u>\$-311,087</u>

a/Operating expenses included under food and beverages.

A comparative statement of assets and liabilities of the Senate Restaurants Revolving Fund on June 28, 1975, and June 29, 1974; a comparative statement of operations for fiscal years 1972 through 1975; and a comparative statement of changes in financial position for fiscal years ended June 28, 1975, and June 29, 1974, are presented as schedules 1, 2, and 3. A comparison of sales and operations, prepared by the Senate Restaurant accounting staff, for each of the restaurants for fiscal year 1975 is included as an exhibit.

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ACCOUNTS RECEIVABLE

A comparison of accounts receivable at June 30, 1975 and 1974, follows.

Days outstanding	June 30, 1975		June 30, 1974	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
0 to 30	\$25,533	63.7	\$20,761	63.7
31 to 60	9,579	23.9	7,494	23.0
61 to 90	2,662	6.7	1,332	5.6
Over 90	<u>2,300</u>	<u>5.7</u>	<u>2,511</u>	<u>7.7</u>
Total	<u>\$40,074</u>	<u>100.0</u>	<u>\$32,598</u>	<u>100.0</u>

SCOPE OF AUDIT

We made our audit in accordance with generally accepted auditing standards. We reviewed operations, observed the physical count of stock on hand, examined selected financial transactions and records, confirmed customers' account balances, and carried out other auditing procedures as we considered necessary.

OPINION ON FINANCIAL STATEMENTS

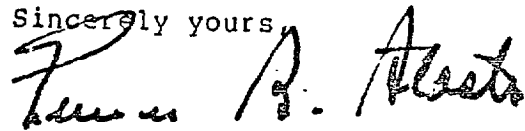
We prepared the accompanying financial statements (schs. 1, 2, and 3) on the basis of the accounting records maintained on an accrual basis by the Senate Restaurants' Accounting Office staff. The statements do not include the cost of equipment and furnishings acquired with funds appropriated to the Architect of the Capitol or the cost of certain benefits and services--such as space, building repairs and maintenance, utilities, trash disposal, menus and forms printed by the Government Printing Office, and services of the staff of the Architect of the Capitol--all of which are furnished to the restaurants without charge.

In our opinion, schedules 1, 2, and 3, which were prepared on a basis consistent with that of the preceding year and in accordance with the accounting practices and financial arrangements described above, present fairly the financial position of the United States Senate Restaurants

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Revolving Fund at June 28, 1975, and June 29, 1974, the results of its operations, and the changes in its financial position for the years then ended.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "James A. Altsch". The signature is written in a cursive style with a large initial "J" and a distinct "A".

Comptroller General
of the United States